

**WRIGHT COUNTY**  
**Clarion, Iowa**

INDEPENDENT AUDITORS' REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS  
June 30, 2008

**WRIGHT COUNTY, IOWA**  
**Clarion, Iowa**

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**WRIGHT COUNTY**  
**Clarion, Iowa**

**OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Rodney Toftey.....	Board of Supervisors .....	January 2011
Myron Amdahl .....	Board of Supervisors .....	January 2011
Larry E. Olson.....	Board of Supervisors .....	January 2009
Caye Chelesvig .....	Board of Supervisors .....	January 2009
Stan Watne.....	Board of Supervisors .....	January 2009
Betty Ellis .....	County Auditor.....	January 2009
Peggy Schluttenhofer .....	County Treasurer .....	January 2011
Dwight N. Reiland .....	County Recorder .....	January 2011
Paul J. Schultz.....	County Sheriff .....	January 2009
Eric Simonson.....	County Attorney.....	January 2011
Kathy Waddell .....	County Assessor.....	Appointed



**Gardiner Thomsen**  
Certified Public Accountants

## **Independent Auditors' Report**

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To the Officials of Wright County  
Clarion, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wright County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents. These financial statements are the responsibility of Wright County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wright County at June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2009 on our consideration of Wright County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 - 9 and 37 - 39 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wright County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the five years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on these financial statements. Other supplementary information included in Schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

March 23, 2009

*Gardiner Thomsen, P.C.*

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Wright County provides this Management's Discussion and Analysis of its annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the County's financial statements, which follow.

### **2008 FINANCIAL HIGHLIGHTS**

- Government wide funds revenue increased approximately \$1,441,722 from fiscal year 2007. The increase was primarily due to property tax, local option tax and intergovernmental revenue.
- Program expenses increased from \$13 million in fiscal year 2007 to \$14.5 million in fiscal year 2008.
- Net assets decreased approximately \$676,489 from fiscal year 2007.

### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements as well as other information as follows:

- *Management's Discussion and Analysis* introduces the basic financial statements and provides an analytical overview of the government's financial activities.
- The *Government-wide Financial Statement* consists of a statement of net assets and a statement of activities. These provide information about the activities of Wright County as a whole and present an overall view of the County's finances.
- The *Fund Financial Statements* tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Wright County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Wright County acts solely as an agent or custodian for the benefit of those outside of the government.
- *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- *Required Supplementary Information other than MD&A* provides detailed information about the nonmajor governmental and the individual fiduciary funds, as well as the required budgetary comparison information.
- *Other Supplementary Information* provides detailed information about the nonmajor special revenue and the individual agency funds.

### **REPORTING THE COUNTY AS A WHOLE:**

#### *The Statement of Net Assets and the Statement of Activities*

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting

used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administrative services, interest on long-term debt and other non-program activities. Property tax and state and federal grants finance most of these activities.

## **REPORTING THE COUNTY BY FUNDS:**

### *Fund Financial Statements*

The fund financial statements provide detailed information about individual, significant funds; not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These fund statements focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These governmental funds include: 1) General Fund, 2) Special Revenue Funds such as Mental Health, Rural Services, Drainage, and Secondary Roads, 3) Debt Service Fund, and 4) Capital Projects Fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The financial statements required for governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances.

2) Proprietary funds account for the County's employee group health insurance, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The proprietary funds required financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows.



3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the County's own programs. These fiduciary funds include agency funds that account for emergency management services, and the county assessor to name a few.

The financial statements required for fiduciary funds include a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. Wright County's net assets for fiscal year 2008 totaled approximately \$17.6 million. This compares to fiscal year 2007 at \$18.2 million. The analysis that follows focuses on the net assets for our governmental activities.

#### **Net Assets of Governmental Activities** (Expressed in Thousands)

	2008	2007
Current and Other Assets	\$12,434	\$12,416
Capital Assets	14,632	14,808
Total Assets	27,066	27,224
Long-term Debt Outstanding	2,032	2,210
Other Liabilities	7,420	6,724
Total Liabilities	9,452	8,934
Net Assets:		
Invested in Capital Assets, Net of Debt	13,897	13,944
Restricted	2,650	3,236
Unrestricted	1,067	1,110
Total Net Assets	\$17,614	\$18,290

Net assets of Wright County's governmental activities decreased by approximately \$676,489 from fiscal year 2007. The largest portion of the County's net assets is the Invested in Capital Assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements - is \$1 million.

Changes in Net Assets of Governmental Activities  
(Expressed in Thousands)

	2008	2007
Revenues:		
Program Revenue:		
Charges for Service	\$1,582	\$924
Operating Grants and Contributions	5,679	5,410
Capital Grants and Contributions	348	400
General Revenues:		
Property Taxes	4,915	4,346
Penalty and Interest on Property Taxes	38	38
State Tax Credits	255	228
Local Option Sales Tax	381	408
Unrestricted Investment Earnings	219	291
Gain on Sale of Capital Assets	35	5
Other General Revenues	420	380
Total Revenues	<u>13,872</u>	<u>12,430</u>
Program Expenses:		
Public Safety and Legal Services	1,561	1,619
Physical Health and Social Services	3,034	3,046
Mental Health	1,740	1,522
County Environment and Education	1,079	845
Roads and Transportation	5,099	4,258
Government Services to Residents	391	400
Administration	1,255	1,141
Non-Program	351	181
Interest on Long-term Debt	38	43
Total Expenses	<u>14,548</u>	<u>13,055</u>
Decrease in Net Assets	(676)	(625)
Net Assets Beginning of Year	<u>18,290</u>	<u>18,915</u>
Net Assets End of Year	<u>\$17,614</u>	<u>\$18,290</u>

The property tax rate in the county-wide levy increased \$1.08654 per \$1,000 of valuation generated \$586,946 more dollars than in the prior year. Taxable values and total dollars levied are as follows:

	2008	2007
Countywide taxable value	\$544,092,688	\$543,413,138
Countywide levy rate without debt	6.50494	5.30287
Dollars levied without debt	3,539,290	2,881,650
County taxable debt service value	558,847,645	558,077,241
County debt service levy rate	0.36321	0.50269
Dollars levied debt service	202,979	280,540
Total countywide rate	6.86815	5.80556
Total dollars levied countywide	3,742,269	3,162,190
Rural taxable value	356,053,239	356,517,645
Rural tax levy rate	3.60	3.57605
Dollars levied rural area only	1,281,792	1,274,925
Total dollars levied	\$5,024,061	\$4,437,115

#### **INDIVIDUAL MAJOR FUND ANALYSIS**

As Wright County completed the year, its governmental funds reported a combined fund balance of \$4,891,981, which is less than the \$5,546,712 combined fund balance of fiscal year 2007.

The General Fund, the operating fund for Wright County, ended fiscal year 2008 with an unreserved ending balance totaling \$1,906,007, an increase of \$127,050. The Board of Supervisors aim to maintain an ending fund balance of about 25% of expenditures. In fiscal year 2008, ending fund balance was about 3% of expenditures.

Wright County has continued to look for ways to effectively manage the cost of mental health services in the Mental Health Fund. Fiscal year 2008 ended with a \$77,803 balance, whereas fiscal year 2007 ended with \$192,776.

The Rural Service Fund ended fiscal year 2008 with a \$186,601 balance compared to the prior year balance of \$329,448. Property tax revenue for the Rural Services Fund tax decreased by \$23,488 in fiscal year 2008, which includes local option sales tax revenue. The other revenues and expenditures within the rural services fund remained virtually unchanged.

The Secondary Roads Fund ended fiscal year 2008 with a \$1.2 million balance compared to the prior year balance of \$1.8 million.

The Drainage Fund Balance increased by \$55,692, partially due to the issuance of stamped warrants.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, Wright County amended the budget twice. The first amendment was made in April 2008. This amendment created an increase in revenues and expenditures of \$472,835 and \$551,852, respectively. The second amendment was made in June 2008. The amendment increased expenditures by \$80,000.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year 2008, Wright County had approximately \$33.2 million invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads, and bridges. This amount is an increase of approximately \$800,000 from fiscal year 2007 including infrastructure.

Wright County had depreciation expense of \$1.2 million in fiscal year 2008 and total accumulated depreciation of \$18.5 million on the capital assets. This is an increase in fiscal year 2008's total accumulated depreciation of \$900,000.

### **Debt**

At the end of fiscal year 2008, Wright County had \$735,000 in general obligation bond outstanding compared to \$865,000 at the end of fiscal year 2007.

Outstanding debt decreased as a result of the general obligation bond payments for the Jail. The Constitution of the State of Iowa limits the amount of general obligation debt that counties can issue to 5 percent of the assessed value of all taxable property within the county's corporate limits. Wright County's outstanding general obligation debt is significantly below its constitutional debt limit of \$38.8 million.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Wright County's finances, and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Wright County Auditor's Office, 115 North Main Street, Clarion, IA 50525.

**WRIGHT COUNTY**  
**Clarion, Iowa**

**STATEMENT OF NET ASSETS**  
June 30, 2008

	Governmental Activities
<b>ASSETS</b>	
Cash & Pooled Investments	\$4,589,574
Receivables:	
Property Tax:	
Delinquent	7,764
Succeeding Year	5,260,148
Accounts	88,431
Accrued Interest	14,845
Drainage Assessments	602,736
Due From Other Governments	728,921
Loans Receivable	319,354
Inventories	570,708
Prepaid Insurance	251,397
Capital Assets (Net of Accumulated Depreciation)	14,631,771
<b>TOTAL ASSETS</b>	<u>27,065,649</u>
<b>LIABILITIES</b>	
Accounts Payable	689,741
Salaries & Benefits Payable	175,820
Due To Other Governments	361,196
Deferred Revenue:	
Succeeding Year Property Tax	5,260,148
Other	922,090
Accrued Interest Payable	11,475
Long Term Liabilities:	
Portion Due or Payable Within One Year:	
General Obligation Notes	135,000
USDA Promissory Notes	14,338
Compensated Absences	316,086
Portion Due or Payable After One Year:	
General Obligation Notes	600,000
USDA Promissory Notes	249,859
Drainage Warrants/Improvement Certificates	716,655
<b>TOTAL LIABILITIES</b>	<u>9,452,408</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	13,896,771
Restricted For:	
Mental Health Purposes	79,733
Secondary Roads Purposes	1,189,115
Debt Service	45,504
Internal Service	99,307
Other Purposes	1,235,336
Unrestricted	<u>1,067,475</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$17,613,241</u></u>

See Notes to Financial Statements

**WRIGHT COUNTY**  
Clarion, Iowa

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2008

	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Service	Operating Grants, Contributions & Restricted Interest	Capital Grants, Contributions & Restricted Interest	
FUNCTIONS/PROGRAMS:					
Governmental Activities:					
Public Safety & Legal Services	\$1,560,773	\$94,851	\$0	\$0	\$(1,465,922)
Physical Health & Social Services	3,034,550	94,803	2,261,261	0	(678,486)
Mental Health	1,739,606	302,494	754,259	0	(682,853)
County Environment & Education	1,078,871	149,594	22,544	0	(906,733)
Roads & Transportation	5,099,047	57,373	2,641,412	347,605	(2,052,657)
Governmental Services to Residents	390,742	238,934	0	0	(151,808)
Administration	1,254,873	39,043	0	0	(1,215,830)
Non-Program	350,982	605,068	0	0	254,086
Interest on Long-Term Debt	38,362	0	0	0	(38,362)
TOTAL	\$14,547,806	\$1,582,160	\$5,679,476	\$347,605	(6,938,565)

**GENERAL REVENUES:**

Property & Other County Tax Levied For:

General Purposes	4,716,276
Debt Service	198,608
Penalties & Interest on Property Tax	37,785
State Tax Credits	254,693
Local Option Sales Tax	380,557
Unrestricted Investment Earnings	218,751
Miscellaneous	420,331
Gain on Disposal of Capital Assets	35,075

**TOTAL GENERAL REVENUES**

6,262,076

**CHANGE IN NET ASSETS**

(676,489)

**NET ASSETS, BEGINNING OF YEAR**

18,289,730

**NET ASSETS, END OF YEAR**

\$17,613,241

See Notes to Financial Statements

**WRIGHT COUNTY**  
**Clarion, Iowa**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2008

		Special Revenue	
	General	Mental Health	Rural Services
ASSETS			
Cash & Pooled Investments	\$1,567,608	\$468,613	\$147,189
Receivables:			
Property Tax:			
Delinquent	6,216	1,116	21
Succeeding Year	3,142,816	512,194	1,355,992
Accounts	72,245	9,450	0
Assessments	0	0	0
Accrued Interest	13,465	0	0
Due From Other Funds	8,235	0	0
Due From Other Governments	376,888	21,633	39,412
Note Receivable	0	0	0
Inventories	0	0	0
Prepaid Insurance	134,842	0	0
TOTAL ASSETS	\$5,322,315	\$1,013,006	\$1,542,614
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts Payable	\$137,642	\$50,637	\$0
Salaries & Benefits Payable	112,132	8,130	0
Accrued Interest	0	0	0
Due To Other Governments	0	361,196	0
Deferred Revenue:			
Succeeding Year Property Tax	3,142,816	512,194	1,355,992
Other	23,718	3,046	21
Total Liabilities	3,416,308	935,203	1,356,013
Fund Balances:			
Reserved For:			
Inventories	0	0	0
Debt Service	0	0	0
Drainage	0	0	0
Unreserved, Reported In:			
General Fund	1,906,007	0	0
Special Revenue Funds	0	77,803	186,601
Capital Projects Fund	0	0	0
Total Fund Balances	1,906,007	77,803	186,601
TOTAL LIABILITIES & FUND BALANCES	\$5,322,315	\$1,013,006	\$1,542,614

See Notes to Financial Statements

<u>Special Revenue</u>			
<u>Secondary</u>			
<u>Roads</u>	<u>Drainage</u>	<u>Nonmajor</u>	<u>Total</u>
\$918,255	\$333,485	\$1,038,230	\$4,473,380
0	0	411	7,764
0	0	249,146	5,260,148
6,021	0	715	88,431
0	602,736	0	602,736
0	0	1,251	14,716
0	0	0	8,235
182,378	0	108,610	728,921
0	0	319,354	319,354
570,708	0	0	570,708
116,555	0	0	251,397
<u>\$1,793,917</u>	<u>\$936,221</u>	<u>\$1,717,717</u>	<u>\$12,325,790</u>
\$455,220	\$1,536	\$35,925	\$680,960
55,558	0	0	175,820
0	6,066	0	6,066
0	0	0	361,196
0	0	249,146	5,260,148
333	602,736	319,765	949,619
<u>511,111</u>	<u>610,338</u>	<u>604,836</u>	<u>7,433,809</u>
570,708	0	0	570,708
0	0	47,860	47,860
0	101,528	0	101,528
0	0	0	1,906,007
712,098	224,355	1,091,220	2,292,077
0	0	(26,199)	(26,199)
<u>1,282,806</u>	<u>325,883</u>	<u>1,112,881</u>	<u>4,891,981</u>
<u>\$1,793,917</u>	<u>\$936,221</u>	<u>\$1,717,717</u>	<u>\$12,325,790</u>



**WRIGHT COUNTY  
Clarion, Iowa**

**RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2008**

**Total Governmental Fund Balances (Page 13)** **\$4,891,981**

*Amounts reported for governmental activities in the Statement of Net Assets  
are different because:*

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$33,174,675 and the accumulated depreciation is \$18,542,904. 14,631,771

Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds. 27,529

The Internal Service Fund is used by management to charge the costs of self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets. 99,307

Long-term liabilities, including bonds payable, compensated absences payable, and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds. (2,037,347)

**Net Assets of Governmental Activities (Pages 10 & 11)** **\$17,613,241**

See Notes to Financial Statements

**WRIGHT COUNTY**  
**Clarion, Iowa**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2008**

	Special Revenue		
	General	Mental Health	Rural Services
<b>REVENUES:</b>			
Property & Other County Tax	\$2,935,101	\$526,779	\$1,634,653
Interest & Penalty on Property Tax	37,785	0	0
Intergovernmental	2,494,259	1,085,496	65,387
Licenses & Permits	10,345	0	0
Charges for Service	520,590	0	0
Use of Money & Property	246,720	0	0
Miscellaneous	82,135	10,928	12
Non – program	0	0	0
Total Revenues	6,326,935	1,623,203	1,700,052
<b>EXPENDITURES:</b>			
Operating:			
Public Safety & Legal Services	1,082,098	0	390,815
Physical Health & Social Services	3,005,318	0	0
Mental Health	0	1,738,176	0
County Environment & Education	541,095	0	353,575
Roads and Transportation	0	0	0
Governmental Services to Residents	378,305	0	1,169
Administrative Services	1,067,212	0	0
Non – program	31,244	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Total Expenditures	6,105,272	1,738,176	745,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	221,663	(114,973)	954,493
Other Financing Sources (Uses):			
Sale of Capital Assets	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(94,613)	0	(1,097,340)
Proceeds from Issuance of Stamped Warrants	0	0	0
Total Other Financing Sources (Uses)	(94,613)	0	(1,097,340)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	127,050	(114,973)	(142,847)
Fund Balances – Beginning of Year	1,778,957	192,776	329,448
Decrease in Reserve for Inventories	0	0	0
Fund Balances – End of Year	\$1,906,007	\$77,803	\$186,601

See Notes to Financial Statements

<u>Special Revenue</u>			
<u>Secondary</u>			
<u>Roads</u>	<u>Drainage</u>	<u>Nonmajor</u>	<u>Total</u>
\$0	\$0	\$198,593	\$5,295,126
0	0	0	37,785
2,641,411	0	156,776	6,443,329
11,334	0	0	21,679
0	0	22,716	543,306
1,250	0	88,198	336,168
50,952	0	208,502	352,529
0	413,633	0	413,633
2,704,947	413,633	674,785	13,443,555
0	0	68,329	1,541,242
0	0	54,591	3,059,909
0	0	0	1,738,176
0	0	190,520	1,085,190
4,309,793	0	0	4,309,793
0	0	10,929	390,403
0	0	16,759	1,083,971
0	442,012	0	473,256
0	0	217,907	217,907
1,942	0	161,793	163,735
4,311,735	442,012	720,828	14,063,582
(1,606,788)	(28,379)	(46,043)	(620,027)
31,925	0	7,550	39,475
1,191,953	0	79,018	1,270,971
0	0	(79,018)	(1,270,971)
0	84,071	0	84,071
1,223,878	84,071	7,550	123,546
(382,910)	55,692	(38,493)	(496,481)
1,823,966	270,191	1,151,374	5,546,712
(158,250)	0	0	(158,250)
\$1,282,806	\$325,883	\$1,112,881	\$4,891,981

**WRIGHT COUNTY**  
**Clarion, Iowa**

**RECONCILIATION OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2008

**Net Change in Fund Balances - Total Governmental Funds (Page 16)** \$(496,481)

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures and contributed capital assets as follows:

Expenditures for capital assets	\$729,586	
Capital assets contributed by the Iowa Department of Transportation	347,605	
Depreciation Expense	<u>(1,249,821)</u>	(172,630)

In the Statement of Activities, the gain on the disposition of capital assets is reported whereas the governmental funds report the proceeds from the sale as an increase in financial resources.

(4,400)

Because some revenues will not be collected for several months after the County's year end, they are not considered available revenues and are deferred in the governmental funds as follows:

Property Tax	314	
Other	<u>(78,839)</u>	(78,525)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year repayments exceeded issues as follows:

Repaid		130,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds as follows:

USDA Promissory Note	14,196	
Drainage Warrants	42,203	
Compensated Absences	(8,124)	
Interest on Long-Term Debt	<u>371</u>	48,646

Inventories in the governmental funds have been recorded as expenditures when paid. However, the Statement of Activities will report these items as expenditures in the period that the corresponding net asset is exhausted.

(158,250)

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.

55,151

**Change in Net Assets of Governmental Activities (Page 11)**

\$(676,489)

See Notes to Financial Statements

**WRIGHT COUNTY  
Clarion, Iowa****STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
June 30, 2008**

	<b>Internal Service Employee Group Health</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$107,959
Receivables	
Accrued Interest	<u>129</u>
<b>TOTAL ASSETS</b>	<u><u>\$108,088</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	<u>\$8,781</u>
 <b>NET ASSETS</b>	
Unrestricted	<u><u>\$99,307</u></u>

See Notes to Financial Statements

**WRIGHT COUNTY  
Clarion, Iowa****STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS****PROPRIETARY FUND  
Year Ended June 30, 2008**

	Internal Service Employee Group Health
<b>Operating Revenues:</b>	
Reimbursements From Operating Funds	\$1,261,748
Reimbursements From Employees	129,268
Miscellaneous	19,249
Total Operating Revenues	<u>1,410,265</u>
<b>Operating Expenses:</b>	
Medical Claims	181,652
Insurance Premiums	1,061,053
Administrative Fees	10,485
Miscellaneous	103,086
Total Operating Expenses	<u>1,356,276</u>
Operating Income	53,989
<b>Non-Operating Revenues:</b>	
Interest on Investments	<u>1,162</u>
Net Income	55,151
Net Assets Beginning of Year	<u>44,156</u>
Net Assets End of Year	<u><u>\$99,307</u></u>

See Notes to Financial Statements

**WRIGHT COUNTY**  
**Clarion, Iowa**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
Year Ended June 30, 2008

	Internal Service Employee Group Health
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash Received from Operating Fund Reimbursements	\$1,261,748
Cash Received from Employees & Others	148,517
Cash Payments to Suppliers for Services	<u>(1,364,728)</u>
Net Cash Provided by Operating Activities	<u>45,537</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest on Investments	<u>1,032</u>
Net Increase in Cash & Cash Equivalents	46,569
Cash & Cash Equivalents at Beginning of Year	<u>61,390</u>
Cash & Cash Equivalents at End of Year	<u><u>\$107,959</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income	\$53,989
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Decrease in Accounts Payable	<u>(8,452)</u>
Net Cash Provided By Operating Activities	<u><u>\$45,537</u></u>

See Notes to Financial Statements

**WRIGHT COUNTY**  
**Clarion, Iowa**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30, 2008

**ASSETS**

Cash & Pooled Investments:	
County Treasurer	\$818,886
Other County Officials	10,233
Receivables:	
Property Tax:	
Succeeding Year	13,374,703
Accounts	33,996
Accrued Interest	238
Assessments	138,581
<b>TOTAL ASSETS</b>	<u>14,376,637</u>

**LIABILITIES**

Accounts Payable	27,940
Salaries & Benefits Payable	11,061
Due to Other Governments	14,330,407
Trusts Payable	7,229
<b>TOTAL LIABILITIES</b>	<u>14,376,637</u>

**NET ASSETS**\$0

See Notes to Financial Statements



**WRIGHT COUNTY**  
**Clarion, Iowa**

## **Notes to Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies**

Wright County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

#### **A. REPORTING ENTITY**

For financial reporting purposes, Wright County has included all funds, organizations, agencies, boards, commissions, and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the County.

These financial statements present Wright County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

**Blended Component Units** – The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Two hundred forty-seven major drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Though these districts are legally separate from the County, they are controlled, managed and supervised by the Wright County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. Financial information of the individual drainage districts can be obtained from the Wright County Auditor's office.

**Jointly Governed Organizations** – The County participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The Wright County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Wright County Assessor's Conference Board, Wright County Emergency Management Commission, and Wright County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in the Agency Funds of the County.

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### B. BASIS OF PRESENTATION

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt attributable to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

#### Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the secondary road construction and maintenance.

## Notes to Financial Statements (Continued)

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### *Note 1: Summary of Significant Accounting Policies (Continued)*

#### B. BASIS OF PRESENTATION (Continued)

The Drainage Fund is used to account for drainage assessments, drainage repair and issuance of stamped warrants.

Additionally the County reports the following funds:

Proprietary Fund - An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Fiduciary Fund - Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units, and/or other funds.

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long term debt, claims, judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply the cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

The proprietary fund of the County applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements: Financial Accounting Standards Board Statements of Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund is charges to customers for sales and services. Operating expenses for Internal Service Funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County maintains its financial records on a cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

#### D. ASSETS, LIABILITIES AND FUND EQUITY

The following accounting policies are followed in preparing the balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March 2007.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable, but has not been collected.

## Notes to Financial Statements (Continued)

### Note 1: Summary of Significant Accounting Policies (Continued)

#### D. ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)

Drainage Assessments Receivable – Drainage assessments receivable represent amounts assessed to individuals for work done on drainage districts which benefit their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Delinquent drainage assessments receivable represent assessments which are due and payable but have not been collected. Succeeding year drainage assessments receivable represents remaining assessments which are payable but not yet due.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2008, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants, and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Infrastructure	\$50,000
Land, Buildings	25,000
Improvements	25,000
Equipment	5,000

Capital assets of the County are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	40-65
Improvements	25-50
Infrastructure	10-65
Equipment	2-20

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

## Notes to Financial Statements (Continued)

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### D. ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year-end.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absence liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Long-term Liabilities – In the government-wide and proprietary fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets – The net assets of the Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

#### E. BUDGETS AND BUDGETARY ACCOUNTING

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2008, disbursements in the County Environment and Education, Roads and Transportation and Debt Service functions exceeded the amounts budgeted and disbursements in certain departments exceeded the amounts appropriated.

### Note 2: Cash and Pooled Investments

The County's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

## Notes to Financial Statements (Continued)

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### Note 2: Cash and Pooled Investments (Continued)

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

In addition, the County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$1,625,999 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest Rate Risk – The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County.

Credit risk – The investment in Iowa Public Agency Investment Trust is unrated.

### Note 3: Due from and Due to Other Funds

The detail of inter-fund receivables and payables at June 30, 2008 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Agency:	
	Auto License and Use Tax	\$8,235

These balances resulted from the time lag between the dates that inter-fund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

### Note 4: Loans Receivable

Wright County Revolving Housing Assistance Fund – Wright County was the recipient of a grant from the Iowa Finance Authority (Authority) in the amount not to exceed \$100,000 under the Housing Assistance Fund Program. The Housing Assistance Fund Program was created by the Authority to provide a flexible program of financial assistance for housing projects. Funds were received by the County from the Authority as requested and were then disbursed as loans directly to qualifying lenders to lower the purchaser's mortgage amount or pay for rehabilitation costs.

The loans are repaid to Wright County over a five-year period with interest at five percent per annum. The loan repayments remain in the Special Revenue, Wright County Revolving Housing Assistance Fund for future loans to other borrowers. The balance of the loans receivable at June 30, 2008 totaled \$72,365. During the year ended June 30, 2008, \$5,000 was disbursed to homeowners.

## Notes to Financial Statements (Continued)

### Note 5: Inter-fund Transfers

The detail of inter-fund transfers for the year ended June 30, 2008 is as follows:

Transfer To	Transfer From	Amount
Special Revenue:		
Secondary Roads	General Basic	\$94,613
	Special Revenue	
Secondary Roads	Rural Services	1,097,340
Special Revenue:	Special Revenue:	
FmHA Int. Relending Loan	Wr. Co. Revolving Loan	79,018
Total		<u>\$1,270,971</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

### Note 6: Capital Assets

Capital assets activity for the year ended June 30, 2008 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$807,805	\$0	\$0	\$807,805
Construction in Process	0	105,698	0	105,698
Total capital assets not being depreciated	807,805	105,698	0	913,503
Capital assets being depreciated:				
Buildings	4,234,754	0	0	4,234,754
Improvements other than buildings	66,939	27,094	0	94,033
Machinery and Equipment	5,468,044	596,794	389,119	5,675,719
Infrastructure, Road network	21,909,061	347,605	0	22,256,666
Total Capital Assets being depreciated	31,678,798	971,493	389,119	32,261,172
Less Accumulated Depreciation for:				
Buildings	2,270,239	71,486	0	2,341,725
Improvements other than buildings	2,678	3,355	0	6,033
Machinery and Equipment	3,676,886	394,214	384,719	3,686,381
Infrastructure, Road network	11,727,999	780,765	0	12,508,764
Total Accumulated Depreciation	17,677,802	1,249,820	384,719	18,542,903
Total Capital Assets being depreciated, Net	14,000,996	(278,327)	4,400	13,718,269
Governmental Activities Capital Assets, Net	<u>\$14,808,801</u>	<u>\$(172,629)</u>	<u>\$4,400</u>	<u>\$14,631,772</u>



## Notes to Financial Statements (Continued)

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### Note 6: Capital Assets (Continued)

Depreciation expense was charged to the following functions:

Governmental activities:	
Public Safety and Legal Services	\$80,536
Physical Health and Social Services	1,765
County Environment and Education	34,681
Roads and Transportation	1,114,038
Administrative services	14,800
Non – Program	4,000

Total depreciation expense – Governmental Activities	<u>\$1,249,820</u>
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### Note 7 : Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

Fund	Description	Amount
Special Revenue:		
Mental Health	Services	<u>\$361,196</u>
Total for governmental funds		
County Offices:		\$5,193
Agency:		
Agricultural Extension	Collections	162,767
Assessor		190,080
Schools		8,536,913
Community Colleges		533,404
Corporations		3,753,890
Auto License & Use Tax		278,758
All Others		<u>869,402</u>
Total for agency funds		<u>\$14,330,407</u>

## Notes to Financial Statements (Continued)

### Note 8: Changes in Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2008, is as follows:

	Capital Loan Notes	Drainage Warrants	Drainage Improvements Certificates	Intermediary Relending Loan	Compensated Absences	Total
Balance – Beginning of Year	\$865,000	\$95,333	\$663,525	\$278,393	\$308,475	\$2,210,726
Additions	0	84,071	0	0	7,611	91,682
Reductions	130,000	63,948	62,325	14,196	0	270,469
Balance – End of Year	\$735,000	\$115,456	\$601,200	\$264,197	\$316,086	\$2,031,939
Due within one year	\$135,000	\$0	\$55,555	\$14,338	\$316,086	\$520,979

### Capital Loan Notes

A summary of the County's June 30, 2008 general obligation capital loan note indebtedness is as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2009	4.35%	\$135,000	\$33,208	\$168,208
2010	4.40%	140,000	27,335	167,335
2011	4.50%	145,000	21,175	166,175
2012	4.60%	155,000	14,650	169,650
2013	4.70%	160,000	7,520	167,520
Total		\$735,000	\$103,888	\$838,888

During the year ended June 30, 2008, the County retired \$130,000 of the general obligation capital loan notes.

### Drainage Warrants/Drainage Improvements Certificates Payable

Drainage warrants are warrants which are legally drawn on drainage district funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented.

## Notes to Financial Statements (Continued)

### Note 8: Changes in Long-Term Liabilities (Continued)

#### Drainage Warrants/Drainage Improvements Certificates Payable (Continued)

Drainage improvement certificates payable represent amounts due to purchases of drainage improvement certificates. Drainage improvements certificates are waivers that provide for a landowner to pay an improvement assessment in installment payments over a designated number of years with interest at a designated interest rate. The improvement certificates representing those assessments or installments due from the landowner are sold for cash as interest bearing certificates. Funds received from the sale of certificates are used to pay outstanding registered warrants issued to contractors who perform work on drainage district improvements and registered warrants issued for other related costs. Drainage improvement certificates are redeemed and interest paid to the bearer of the certificate upon receipt of the installment payment plus interest, from the landowners.

Drainage warrants and drainage improvement certificates are paid from the Special Revenue Fund solely from special assessments against benefited properties.

#### Wright County Intermediary Relending Loan Program

The County entered into an intermediary relending loan program agreement with the Farmers Home Administration (FmHA) dated July 25, 1994, pursuant to the provisions of Chapter 331.402 of the Code of Iowa. The loan agreement is for the purpose of borrowing funds in order to make loans to private persons for economic development through the Wright County Economic Development Corporation. FmHA loaned the County \$400,000 with interest at the fixed rate of one percent per annum. Principal and interest will be paid in 27 equal annual amortized installments beginning on July 25, 1998, with any remaining balance due and payable 30 years from the date of the note. In addition, the County has contributed \$100,000 to the intermediary relending loan program.

Details of the loan repayment requirements are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2009	1.00%	\$14,338	\$2,642	\$16,980
2010	1.00%	14,481	2,499	16,980
2011	1.00%	14,626	2,354	16,980
2012	1.00%	14,772	2,208	16,980
2013	1.00%	14,920	2,060	16,980
2014-2018	1.00%	76,868	8,032	84,900
2019-2023	1.00%	80,789	4,111	84,900
2024-2025	1.00%	33,403	502	33,905
Total		\$264,197	\$24,408	\$288,605

During the year ended June 30, 2008, the County received loan principal repayments of \$39,526, leaving a balance of loans receivable at June 30, 2008 of \$246,989.

## Notes to Financial Statements (Continued)

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### Note 8: Changes in Long-Term Liabilities (Continued)

#### Contingent Liabilities

##### General Obligation Capital Loan Notes

The County entered into an agreement with the Wright County Area Landfill Authority to assist in financing the cost of acquiring and constructing works and facilities useful for the collection and disposal of solid waste, certain landfill closure costs, equipment, transfer station improvements and composting facilities. The agreement provided for Wright County to sell general obligation capital loan notes on behalf of the Authority for the purpose outlined above. The notes are to be repaid from revenues generated by operation of the landfill.

The County is contingently liable on \$45,338 of general obligation capital loan note indebtedness outstanding at June 30, 2008. Since the interest and bond principal is currently paid out of Wright County Area Landfill Authority revenues, this liability has not been recorded in the Long-Term Liabilities on Exhibit A. However, since the notes are a general obligation of the County, if the revenues of the Authority in future years are not adequate, a tax may be levied on all taxable property in the County.

Details of this note indebtedness at June 30, 2008, are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2009	5.75%	\$45,338	\$1,988	\$47,326

During the year ended June 30, 2008, the Wright County Area Landfill Authority retired \$42,154 of notes.

##### General Obligation Work Activity Center Notes

During the year ended June 30, 1994, the County received a \$371,800 Farmer's Home Administration (FmHA) community facilities loan on behalf of Unlimited Opportunities, Inc. to assist in the construction of a work activity center. The County issued general obligation work activity center notes to evidence its obligation under the loan agreement. The notes are to be repaid from revenues generated by operation of the work activity center.

The County is contingently liable on \$87,420 of general obligation work activity center note indebtedness outstanding at June 30, 2008. Since the interest and bond principal is currently paid out of Unlimited Opportunities, Inc. revenues, this liability has not been recorded in the Long Term Liabilities on Exhibit A. However, since the notes are a general obligation of the County, if the revenues of the work activity center in future years are not adequate, the notes may be payable from the County's General Fund. The transactions for this note issue are accounted for in an Agency Fund.

## Notes to Financial Statements (Continued)

### Note 8: Changes in Long-Term Liabilities (Continued)

Details of this note indebtedness at June 30, 2008 are as follows:

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2009	5.00%	\$25,660	\$3,788	\$29,448
2010	5.00%	26,973	2,475	29,448
2011	5.00%	28,353	1,095	29,448
2012	5.00%	6,434	50	6,484
Total		\$87,420	\$7,408	\$94,828

During the year ended June 30, 2008, Unlimited Opportunities, Inc. retired \$24,411 of notes. The above schedule of note indebtedness provides for an anticipated pay-off date of October 1, 2011 even though the notes have a stated maturity date of June 29, 2014.

### Note 9: Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA 50306-9117

Most regular plan members are required to contribute 3.90% of their annual covered salary and the County is required to contribute 6.05% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by State statute. The County's contribution to IPERS for the years ended June 30, 2008, 2007, and 2006 were \$306,403, \$282,741, and \$268,683, respectively, equal to the required contributions for each year.

### Note 10: Risk Management

Wright County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 563 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund expenses and reinsurance expenses due and payable in the current year, plus all of any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 200 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

## Notes to Financial Statements (Continued)

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### Note 10: Risk Management (Continued)

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of a deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if sufficient, by the subsequent year's member contributions.

The County's property and casualty contribution to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2008 were \$122,003.

The Pool uses reinsurance and excess risk sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$10,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk sharing protection provided by the member's risk sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such losses can be reasonably estimated. Accordingly, at June 30, 2008, no liability has been recorded in the County's financial statements. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of their capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution, which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond. The County assumes liability for any deductibles and claims in excess of coverage limitations. The County assumes responsibility for workers compensation claims in excess of \$1,000,000 and employee blanket bond claims in excess of \$50,000 (\$450,000 for the County Treasurer), respectively. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## Notes to Financial Statements (Continued)

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### Note 11: Employee Group Health Fund

The Internal Service, Employee Group Health Fund, was established to account for the partial self-funding of the County's health insurance benefit plan. Wright County purchases health insurance from Wellmark.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. The County's contribution for the year ended June 30, 2008 was \$1,261,748.

Amounts payable from the Employee Group Health Fund at June 30, 2008 total \$8,781, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$99,307 at June 30, 2008 and is reported as a designation of the Internal Service, Employee Group Health Fund net assets. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

Unpaid Claims Beginning of Year	<u>\$17,233</u>
Included Claims (Including Claims Incurred but not Reported at June 30, 2008):	
Current Year Events	<u>181,652</u>
Total Incurred Claims	<u>198,885</u>
Payments:	
Current Year Events	<u>172,871</u>
Prior Year Events	<u>17,233</u>
Total Payments	<u>190,104</u>
Unpaid Claims End of Year	<u><u>\$8,781</u></u>

### Note 12: Financial Condition

The Capital Projects Fund had a deficit balance of \$26,199 at June 30, 2008.

**WRIGHT COUNTY**  
**Clarion, Iowa**

**BUDGETARY COMPARISON SCHEDULE OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN BALANCES  
BUDGET AND ACTUAL (CASH BASIS) – ALL GOVERNMENTAL FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2008**

	Actual	Less Funds Not Required to be Budgeted	Net	Budgeted Amounts		Final to Net Variance Positive (Negative)
				Original	Final	
<b>RECEIPTS:</b>						
Property & Other County Tax	\$5,291,030	\$0	\$5,291,030	\$5,250,588	\$5,250,588	\$40,442
Interest & Penalty on Property Tax	37,785	0	37,785	25,605	25,605	12,180
Intergovernmental	6,512,723	0	6,512,723	6,197,039	6,197,039	315,684
Licenses and Permits	21,759	0	21,759	9,200	9,200	12,559
Charges for Services	530,962	0	530,962	471,775	471,775	59,187
Use of Money & Property	343,241	0	343,241	269,669	269,669	73,572
Miscellaneous	543,484	307,963	235,521	181,686	181,686	53,835
Total Receipts	13,280,984	307,963	12,973,021	12,405,562	12,405,562	567,459
<b>DISBURSEMENTS:</b>						
Public Safety & Legal Services	1,535,315	0	1,535,315	1,599,013	1,599,013	63,698
Physical Health & Social Services	3,064,525	0	3,064,525	3,242,648	3,242,648	178,123
Mental Health	1,618,111	0	1,618,111	1,704,738	1,704,738	86,627
County Environment & Education	1,082,020	0	1,085,020	1,083,627	1,083,627	(1,393)
Roads and Transportation	3,959,961	0	3,959,961	3,645,000	3,645,000	(314,961)
Governmental Services to Residents	388,302	0	388,302	450,443	450,443	62,141
Administrative Services	1,082,556	0	1,082,556	1,038,257	1,118,257	35,701
Non-Program	372,858	341,614	31,244	42,500	42,500	11,256
Debt Service	217,907	0	217,907	208,732	208,732	(9,175)
Capital Projects	479,711	0	479,711	710,000	710,000	230,289
Total Disbursements	13,804,266	341,614	13,462,652	13,724,958	13,804,958	342,306
Excess (Deficiency) of Receipts Under Disbursements	(523,282)	(33,651)	(489,631)	(1,319,396)	(1,399,396)	909,765
Other Financing Sources, Net	123,546	84,071	39,475	0	0	39,475
Excess (Deficiency) of Receipts & Other Financing Sources Under Disbursements and Other Financing Uses	(399,736)	50,420	(450,156)	(1,319,396)	(1,399,396)	949,240
Balance Beginning of Year	4,843,114	283,065	4,560,049	3,951,959	3,951,959	608,090
Balance End of Year	\$4,443,378	\$333,485	\$4,109,893	\$2,632,563	\$2,552,563	\$1,557,330

See Accompanying Independent Auditors' Report



**WRIGHT COUNTY**  
**Clarion, Iowa**

**BUDGET TO GAAP RECONCILIATION**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
Year Ended June 30, 2008

	Governmental Funds		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$13,280,984	\$162,571	\$13,443,555
Expenditures	13,804,266	259,316	14,063,582
Net	(523,282)	(96,745)	(620,027)
Other Financing Sources	123,546	0	123,546
Beginning Fund Balances	4,843,114	703,598	5,546,712
Decrease in Reserve For: Inventories	0	(158,250)	(158,250)
Ending Fund Balances	<u>\$4,443,378</u>	<u>\$448,603</u>	<u>\$4,891,981</u>

See Accompanying Independent Auditors' Report

**Wright County  
Clarion, Iowa**

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2008

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriation lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non – program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not at the fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$887,201. These budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During the year ended June 30, 2008, disbursements in the County Environment and Education, Roads and Transportation and Debt Service Functions exceeded the amounts budgeted and disbursements in certain departments exceeded the amounts appropriated.

**WRIGHT COUNTY**  
**Clarion, Iowa**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2008

	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Sheriff's Jail Commissary
<b>ASSETS</b>			
Cash & Pooled Investments	\$34,899	\$186	\$31,471
Receivables:			
Property Tax			
Delinquent	0	0	0
Succeeding Year	0	0	0
Accounts	675	0	0
Accrued Interest	18	0	0
Loans	0	0	0
Due from Other Governments	0	0	0
<b>TOTAL ASSETS</b>	<b>\$35,592</b>	<b>\$186</b>	<b>\$31,471</b>
<b>LIABILITIES &amp; FUND EQUITY</b>			
Liabilities:			
Accounts Payable	\$0	\$0	\$0
Deferred Revenue			
Succeeding Year	0	0	0
Other	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Fund Equity			
Fund Balances:			
Reserved	0	0	0
Unreserved	35,592	186	31,471
	35,592	186	31,471
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$35,592</b>	<b>\$186</b>	<b>\$31,471</b>

See Accompanying Independent Auditors' Report

**Schedule 1**

Sheriff's Room and Board	Sheriff's K-9	Attorney Share Forfeiture	Federal Forfeiture	State Forfeiture	Resource Enhancement & Protection	Economic Development Marketing
\$71,419	\$1,184	\$9,875	\$89,193	\$11,012	\$83,395	\$26,703
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	40
0	0	0	101	7	147	16
0	0	0	0	0	0	0
0	0	0	0	0	0	0
\$71,419	\$1,184	\$9,875	\$89,294	\$11,019	\$83,542	\$26,759
\$0	\$0	\$0	\$0	\$0	\$0	\$311
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	311
0	0	0	0	0	0	0
71,419	1,184	9,875	89,294	11,019	83,542	26,448
71,419	1,184	9,875	89,294	11,019	83,542	26,448
\$71,419	\$1,184	\$9,875	\$89,294	\$11,019	\$83,542	\$26,759

**WRIGHT COUNTY**  
Clarion, Iowa

COMBINING BALANCE SHEET (CONTINUED)  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2008

	Public Health Resource	Intermediary Relending Loan Program	Emergency Medical Services
<b>ASSETS</b>			
Cash & Pooled Investments	\$62,478	\$274,998	\$11,870
Receivables:			
Property Tax			
Delinquent	0	0	0
Succeeding Year	0	0	0
Accounts	0	0	0
Accrued Interest	71	264	0
Loans	0	246,989	0
Due From Other Governments	0	0	0
<b>TOTAL ASSETS</b>	<b>\$62,549</b>	<b>\$522,251</b>	<b>\$11,870</b>
<b>LIABILITIES &amp; FUND EQUITY</b>			
Liabilities:			
Accounts Payable	\$804	\$25	\$0
Deferred Revenue			
Succeeding Year	0	0	0
Other	0	246,989	0
<b>Total Liabilities</b>	<b>804</b>	<b>247,014</b>	<b>0</b>
Fund Equity:			
Fund Balances:			
Reserved	0	0	0
Unreserved	61,745	275,237	11,870
	61,745	275,237	11,870
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$62,549</b>	<b>\$522,251</b>	<b>\$11,870</b>

See Accompanying Independent Auditors' Report

Schedule 1 (Continued)

Revolving Housing Assistance	Drainage Administration	Conservation Land Acquisition Trust	Debt Service	Capital Projects	Total
\$92,878	\$112,887	\$67,336	\$47,860	\$8,586	\$1,038,230
0	0	0	411	0	411
0	0	0	249,146	0	249,146
0	0	0	0	0	715
608	0	19	0	0	1,251
72,365	0	0	0	0	319,354
0	0	108,610	0	0	108,610
\$165,851	\$112,887	\$175,965	\$297,417	\$8,586	\$1,717,717
\$0	\$0	\$0	\$0	\$34,785	\$35,925
0	0	0	249,146	0	249,146
72,365	0	0	411	0	319,765
72,365	0	0	249,557	34,785	604,836
0	0	0	47,860	0	47,860
93,486	112,887	175,965	0	(26,199)	1,065,021
93,486	112,887	175,965	47,860	(26,199)	1,112,881
\$165,851	\$112,887	\$175,965	\$297,417	\$8,586	\$1,717,717

**WRIGHT COUNTY**  
Clarion, Iowa

COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year Ended June 30, 2008

	County Recorder's Records Management	County Recorder's Electronic Transaction Fee	Sheriff's Jail Commissary
<b>REVENUES:</b>			
Property and Other County Tax	\$0	\$0	\$0
Intergovernmental	0	0	0
Charges for Services	2,841	0	10,361
Use of Money & Property	249	1	0
Miscellaneous	0	0	0
Total Revenues	3,090	1	10,361
<b>EXPENDITURES:</b>			
Operating:			
Public Safety & Legal Services	0	0	7,587
Physical Health & Social Services	0	0	0
County Environment & Education	0	0	0
Governmental Services to Residents	10,929	0	0
Administration	0	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Total Expenditures	10,929	0	7,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,839)	1	2,774
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(7,839)	1	2,774
Fund Balances – Beginning of Year	43,431	185	28,697
Fund Balances – End of Year	\$35,592	\$186	\$31,471

See Accompanying Independent Auditors' Report

**Schedule 2**

Sheriff's Room and Board	Sheriff's K-9	Attorney Share Forfeiture	Federal Forfeiture	State Forfeiture	Resource Enhancement & Protection	Economic Development Marketing
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	17,296	0
9,514	0	0	0	0	0	0
0	0	0	4,097	119	1,742	219
0	595	0	0	0	0	10,556
9,514	595	0	4,097	119	19,038	10,775
0	131	0	51,322	9,289	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	18,031
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	36,161	0
0	131	0	51,322	9,289	36,161	18,031
9,514	464	0	(47,225)	(9,170)	(17,123)	(7,256)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,514	464	0	(47,225)	(9,170)	(17,123)	(7,256)
61,905	720	9,875	136,519	20,189	100,665	33,704
\$71,419	\$1,184	\$9,875	\$89,294	\$11,019	\$83,542	\$26,448



**WRIGHT COUNTY**  
**Clarion, Iowa**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
Year Ended June 30, 2008

	Public Health Resource	Intermediary Relending Loan Program	Revolving Loan
<b>REVENUES:</b>			
Property and Other County Tax	\$0	\$0	\$0
Intergovernmental	0	0	0
Charges for Services	0	0	0
Use of Money & Property	970	62,004	401
Miscellaneous	22,993	0	0
Total Revenues	23,963	62,004	401
<b>EXPENDITURES:</b>			
Operating:			
Public Safety & Legal Services	0	0	0
Physical Health & Social Services	54,591	0	0
County Environment & Education	0	167,305	65
Governmental Services to Residents	0	0	0
Administration	0	0	0
Debt Service	0	0	0
Capital Projects	0	0	0
Total Expenditures	54,591	167,305	65
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,628)	(105,301)	336
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	0	0	0
Operating Transfers In	0	79,018	0
Operating Transfers Out	0	0	(79,018)
	0	79,018	(79,018)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(30,628)	(26,283)	(78,682)
Fund Balances – Beginning of Year	92,373	301,520	78,682
Fund Balances – End of Year	\$61,745	\$275,237	\$0

**Schedule 2 (Continued)**

Emergency Medical Services	Revolving Housing Assistance	Drainage Administration	Conservation Land Acquisition Trust	Debt Service	Capital Projects	Total
\$0	\$0	\$0	\$0	\$198,593	\$0	\$198,593
0	0	128,055	815	10,610	0	156,776
0	0	0	0	0	0	22,716
0	18,042	0	354	0	0	88,198
0	0	0	125,265	0	49,093	208,502
0	18,042	128,055	126,434	209,203	49,093	674,785
0	0	0	0	0	0	68,329
0	0	0	0	0	0	54,591
0	5,119	0	0	0	0	190,520
0	0	0	0	0	0	10,929
0	0	16,759	0	0	0	16,759
0	0	0	0	217,907	0	217,907
0	0	0	49,560	0	76,072	161,793
0	5,119	16,759	49,560	217,907	76,072	720,828
0	12,923	111,296	76,874	(8,704)	(26,979)	(46,043)
0	0	0	7,550	0	0	7,550
0	0	0	0	0	0	79,018
0	0	0	0	0	0	(79,018)
0	0	0	7,550	0	0	7,550
0	12,923	112,296	84,424	(8,704)	(26,979)	(38,493)
11,870	80,563	1,591	91,541	56,564	780	1,151,374
\$11,870	\$93,486	\$112,887	\$175,965	\$47,860	\$(26,199)	\$1,112,881

**WRIGHT COUNTY**  
**Clarion, Iowa**

**COMBINING SCHEDULE OF FIDUCIARY**  
**ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>ASSETS</b>				
Cash & Pooled Investments:	\$0	\$2,228	\$50,628	\$118,401
County Treasurer	10,233	0	0	0
Other County Officials				
Receivables:				
Property Tax:				
Succeeding Year	0	160,539	142,519	8,418,512
Accounts	21	0	0	0
Accrued Interest	0	0	0	0
Assessments	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$10,254</b>	<b>\$162,767</b>	<b>\$193,147</b>	<b>\$8,536,913</b>
<b>LIABILITIES</b>				
Accounts Payable	\$0	\$0	\$1,096	\$0
Salaries & Benefits Payable	0	0	1,971	0
Due to Other Governments	5,193	162,767	190,080	8,536,913
Trusts Payable	5,061	0	0	0
<b>TOTAL LIABILITIES</b>	<b>\$10,254</b>	<b>\$162,767</b>	<b>\$193,147</b>	<b>\$8,536,913</b>

See Accompanying Independent Auditor's Report

**Schedule 3**

Community Colleges	Corporations	Townships	City Special Assessments	Auto License & Use Tax	Other	Total
\$5,237	\$59,023	\$3,097	\$6,381	\$278,758	\$295,133	\$818,886
0	0	0	0	0	0	10,233
528,167	3,694,867	244,553	0	0	185,546	13,374,703
0	0	0	0	0	33,975	33,996
0	0	0	0	0	238	238
0	0	0	138,581	0	0	138,581
\$533,404	\$3,753,890	\$247,650	\$144,962	\$278,758	\$514,892	\$14,376,637
\$0	\$0	\$0	\$0	\$0	\$26,844	\$27,940
0	0	0	0	0	9,090	11,061
533,404	3,753,890	247,650	144,962	278,758	476,790	14,330,407
0	0	0	0	0	2,168	7,229
\$533,404	\$3,753,890	\$247,650	\$144,962	\$278,758	\$514,892	\$14,376,637

**WRIGHT COUNTY**  
**Clarion, Iowa**

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY  
ASSETS AND LIABILITIES – AGENCY FUNDS**

Year Ended June 30, 2008

	County Offices	Agricultural Extension Education	County Assessor	Schools
<b>ASSETS AND LIABILITIES</b>				
Balances – Beginning of Year	\$18,299	\$149,413	\$202,089	\$7,953,298
Additions:				
Property & Other County Tax	0	165,154	147,194	8,666,121
E911 Surcharge	0	0	0	0
State Tax Credits	0	8,128	8,237	431,227
Driver License Fees	0	0	0	0
Office Fees & Collections	261,599	0	0	0
Electronic Transaction Fees	0	0	0	0
Auto Licenses, Use Tax & Postage	0	0	0	0
Assessments	0	0	0	0
Trusts	147,297	0	0	0
Miscellaneous	0	158	1,957	8,261
Total Additions	408,896	173,440	157,388	9,105,609
Deductions:				
Agency Remittances:				
To Other Funds	141,844	0	0	0
To Other Governments	124,081	160,086	166,330	8,521,994
Trusts Paid Out	151,016	0	0	0
Total Deductions	416,941	160,086	166,330	8,521,994
Balances – End of Year	\$10,254	\$162,767	\$193,147	\$8,536,913

See Accompanying Independent Auditors' Report

**Schedule 4**

Community Colleges	Corporations	Townships	City Special Assessments	Auto License & Use Tax	Other	Total
\$351,980	\$3,500,507	\$235,205	\$190,509	\$292,229	\$465,618	\$13,359,147
539,020	3,809,115	251,682	0	0	190,839	13,769,125
0	0	0	0	0	93,752	93,752
19,130	203,523	11,752	0	0	9,115	691,112
0	0	0	0	52,897	0	52,897
0	0	0	0	0	0	261,599
0	0	0	0	0	1,966	1,966
0	0	0	0	3,371,870	0	3,371,870
0	0	0	40,314	0	0	40,314
0	0	0	0	0	0	147,297
366	0	341	0	0	646,531	657,614
558,516	4,012,638	263,775	40,314	3,424,767	942,203	19,087,546
0	0	0	0	121,014	0	262,858
377,092	3,759,255	251,330	85,861	3,317,224	549,442	17,312,695
0	0	0	0	0	343,487	494,503
377,092	3,759,255	251,330	85,861	3,438,238	892,929	18,070,056
\$533,404	\$3,753,890	\$247,650	\$144,962	\$278,758	\$514,892	\$14,376,637

**WRIGHT COUNTY**  
**Clarion, Iowa**

**SCHEDULE OF REVENUES BY SOURCE AND  
EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUNDS**

For the Last Six Years

	Modified Accrual Basis	
	2008	2007
<b>Revenues:</b>		
Property & Other County Tax	\$5,295,126	\$4,752,466
Interest & Penalty on		
Property Tax	37,785	37,595
Intergovernmental	6,443,329	5,867,073
Licenses & Permits	21,679	8,140
Charges for Service	543,306	474,686
Use of Money & Property	329,542	405,145
Miscellaneous	352,529	224,751
Non-Program	413,633	192,577
Total	<u>\$13,436,929</u>	<u>\$11,962,433</u>
<b>Expenditures:</b>		
Operating:		
Public Safety & Legal Services	\$1,541,242	\$1,524,566
Physical Health &		
Social Services	3,059,909	2,979,665
Mental Health	1,738,176	1,512,361
County Environment		
& Education	1,085,190	782,026
Roads & Transportation	4,309,793	3,452,115
Governmental Services to		
Residents	390,403	394,625
Administration Services	1,083,971	976,728
Non-Program	473,256	296,905
Debt Services	217,907	235,922
Capital Projects	163,735	982,057
Total	<u>\$14,063,582</u>	<u>\$13,136,970</u>

See Accompanying Independent Auditors' Report

**Schedule 5**

Modified Accrual Basis			
2006	2005	2004	2003
\$4,324,172	\$4,335,560	\$5,192,685	\$5,000,118
37,622	37,128	34,793	37,416
6,019,667	5,872,072	5,850,284	5,258,406
10,153	9,420	9,567	4,065
492,079	522,565	479,889	435,710
388,875	256,392	204,246	222,420
214,892	312,946	558,401	2,476,337
233,397	587,925	728,481	0
<u>\$11,720,857</u>	<u>\$11,934,008</u>	<u>\$13,058,346</u>	<u>\$13,434,472</u>
\$1,520,355	\$1,390,447	\$1,331,130	\$1,208,316
2,822,320	2,738,244	2,696,302	2,522,677
1,501,416	1,287,161	1,448,386	1,425,804
717,778	815,667	797,332	680,120
2,958,515	3,261,860	2,921,667	3,024,214
511,328	369,741	321,153	298,828
1,005,368	867,901	859,642	936,506
316,800	716,588	1,312,576	3,613,795
168,962	168,678	168,433	167,332
401,644	271,090	215,223	469,047
<u>\$11,924,486</u>	<u>\$11,887,377</u>	<u>\$12,071,844</u>	<u>\$14,346,639</u>





**Gardiner Thomsen**  
Certified Public Accountants

## **Independent Auditors' Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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To the Officials of Wright County:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Wright County, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated March 23, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wright County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Wright County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wright County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Wright County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Wright County's financial statements that is more than inconsequential will not be prevented or detected by Wright County's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Wright County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items A, C, and D are material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wright County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance that are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Wright County's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the County's responses, we did not audit Wright County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Wright County and other parties to whom Wright County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Wright County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

March 23, 2009

*Gardiner Thompson, P.C.*

**WRIGHT COUNTY**  
**Clarion, Iowa**

**SCHEDULE OF FINDINGS**  
**Year Ended June 30, 2008**

**Findings Related to the Financial Statements**

**SIGNIFICANT DEFICIENCIES:**

- (A) **Segregation of Duties** – During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the County's financial statements.

*Recommendation* – We realize that with a limited number of office employees, segregation of duties is difficult. However, the County Officials should review the operating procedures of each office to obtain the maximum internal control possible under the circumstances.

*Response* – We have reviewed procedures and plan to make the necessary changes to improve internal control.

*Conclusion* – Response accepted.

- (B) **Information Systems** – During our review of internal control, the existing control activities in the County's computer based systems were evaluated in order to determine that activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The following weakness in the County's computer based systems was noted:

The County does not have written policies for:

- Requiring user profiles to help limit access to programs to those who have a legitimate need.

*Recommendation* – The County should develop written policies addressing the above items in order to improve the County's control over computer based systems.

*Response* – The County will comply in the future with these recommendations. County officials have discussed and agree that these policies are needed.

*Conclusion* – Response accepted.

- (C) **Financial Reporting** – During the audit, we identified material amounts of receivables, payables and capital assets not recorded or incorrectly recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

*Recommendation* – The County should implement procedures to ensure all receivables, payables and capital assets are identified and included in the County's financial statements.

*Response* – We will revise our current procedures to ensure the proper amounts are recorded in the financial statements in the future.

*Conclusion* – Response accepted.

**WRIGHT COUNTY**  
**Clarion, Iowa**

**SCHEDULE OF FINDINGS (Continued)**  
**Year Ended June 30, 2008**

**Findings Related to the Financial Statements (Continued)**

- (D) **Preparation of Full Disclosure Financial Statements** – Internal controls over financial reporting include the actual preparation and review of financial statements, including footnote disclosure, for external reporting, as required by generally accepted accounting principles. Wright County does not have the internal resources to prepare the full disclosure financial statements required by GAAP for external reporting. While this circumstance is not uncommon for most governmental entities, it is the responsibility of management and those charged with governance, to prepare reliable financial data, or accept the risk associated with this condition because of cost or other considerations.

*Recommendation* – We recognize that with a limited number of office employees, gaining sufficient knowledge and expertise to properly select and apply accounting principles and preparing full disclosure financial statements for external reporting purposes is difficult. However, we recommend that County officials continue to review operating procedures and obtain the internal expertise needed to handle all the aspects of external financial reporting, rather than rely on external assistance.

*Response* – We recognize our limitations, however it is not fiscally responsible to add additional staff at this time.

*Conclusion* – Response acknowledged.

**INSTANCE OF NON-COMPLIANCE:**

No matters were reported.

**Other Findings Related to Required Statutory Reporting:**

- 1 **Certified Budget** – Disbursements during the year ended June 30, 2008 exceeded the amounts budgeted in the County Environment and Education, Roads and Transportation and Debt Service Functions. Disbursements in certain departments exceeded the amounts appropriated. The Second Amendment was published with the original budget amounts rather than the amended amounts.

*Recommendation* – The budget should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget. Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the function budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation. Budget amendments should be reviewed prior to publication to ensure amended amounts properly carry forward to the next amendment.

*Response* – We will amend the budget when required and appropriations will be watched more closely by the departments. The incorrect publication was an oversight and will be reviewed prior to publication in the future.

*Conclusion* – Response accepted.

**WRIGHT COUNTY**  
**Clarion, Iowa**

**SCHEDULE OF FINDINGS (Continued)**  
**Year Ended June 30, 2008**

**Other Findings Related to Required Statutory Reporting (Continued):**

- 2 **Questionable Expenditures** – Certain expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented. These expenditures are detailed as follows :

<u>Paid To</u>	<u>Purpose</u>	<u>Amount</u>
Pizza Ranch	Safety Committee Meetings	\$1,090

According to the opinion, it is possible for certain expenditures to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and improper purpose is very thin.

***Recommendation*** – The Board of Supervisors should determine and document the public purpose served by these expenditures before authorizing any further payments. If this practice is continued, the County should establish written policies and procedures, including requirements for proper documentation.

***Response*** – A suggestion was made for the need to document the public purpose of these expenditures to the Safety Committee.

***Conclusion*** – Response acknowledged.

- 3 **Travel Expense** – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 4 **Business Transactions** – Business transactions between the County and County officials or employees were noted.

<u>Name, Title, and Business Connection</u>	<u>Transaction</u>	<u>Amount</u>
Fred C. Meeder, Deputy Sheriff Owner of Meeder Lock Service	Lock Smith	\$427
Merle Wiedemann, Secondary Road Employee Owner of STN Repair	Repair Shop	620
Paul Shultz Sheriff	Drug Testing	300
Denise Schumacher Public Health Employee	Drug Testing	192
Tricia Haupt Public Health Employee	Cleaning Services	1,475
Angie Reiland Public Health Employee	Cleaning Services	75
Colleen Meier Communications Dept. Employee	Drug Testing	60

**WRIGHT COUNTY**  
**Clarion, Iowa**

**SCHEDULE OF FINDINGS (Continued)**  
**Year Ended June 30, 2008**

**Other Findings Related to Required Statutory Reporting (Continued)**

The transactions noted above between the County and County employees or officials do not appear to represent conflicts of interest since the total transactions for each individual were not in excess of \$1,500 allowed by Chapter 331.342 of the Code of Iowa.

- 5 **Bond Coverage** – Surety bond coverage of County officials and employees is in accordance with statutory provisions.
- 6 **Board Minutes** – No transactions were found that we believe should have been approved in the board minutes but were not. It was noted that not all board minutes were provided to the publisher within seven days of a meeting as required by Chapter 349.18 of the Code of Iowa, and the claims listing did not include the purpose of the claim.

***Recommendation*** – Minutes should be provided to the publisher within seven days of the meeting and the claims listing should include the purpose.

***Response*** – We will submit the minutes on a more timely basis.

***Conclusion*** – Response accepted.

- 7 **Deposits and Investments** – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.
- 8 **Resource Enhancement and Protection Certification** - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- 9 **Economic Development** – During the year ended June 30, 2008, the County spent \$129,324 for economic development purposes, which appears to be an appropriate expenditure of public funds since benefits to be derived have been clearly documented.
- 10 **County Extension Office** – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B. Disbursements during the year ended June 30, 2008 for the County Extension Office did not exceed the amount budgeted.
- 11 **Disbursements** – The Auditor does not receive invoices for several departments, instead the departments turn in a spreadsheet with a list of claims to be paid.

***Recommendation*** – Claims should be accompanied by an invoice, showing the basis of the claim and whether for property sold or furnished for services rendered or for another purpose according to Chapter 331.504 of the Code of Iowa.

***Response*** – The departments will maintain supporting documentation for each claim submitted.

***Conclusion*** – Response acknowledged.

**WRIGHT COUNTY**  
**Clarion, Iowa**

**SCHEDULE OF FINDINGS (Continued)**  
**Year Ended June 30, 2008**

**Other Findings Related to Required Statutory Reporting (Continued)**

- 12 **Financial Condition** – The Capital Projects Fund had a deficit balance of \$26,199 at June 30, 2008.

***Recommendation*** – The County should investigate alternatives to eliminate the deficit in the Capital Projects Fund.

***Response*** – Payables were added at the end of the year, creating the deficit. We will watch our expenditures more closely.

***Conclusion*** – Response accepted.